

Exhibit 1

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	.	Chapter 11
	.	
DIAMOND GLASS, INC.,	.	Case No. 08-10601 (CSS)
<i>et al.</i> ,	.	(Jointly Administered)
	.	
Debtors.	.	May 8, 2008 (10:27 a.m.)
	.	(Wilmington)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY COURT JUDGE

Proceedings recorded by electronic sound recording;
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1 I'm not sure, frankly, that I agree with Mr. Carroll's
2 comment that every Chapter 11 doesn't deserve an incentive
3 plan and that somehow it has to be unique, and that sort of
4 goes to the (c)(3) issue, but in any event, whether it's, you
5 know, needs to be a reasonable justification of the debtors'
6 business judgment or whether it needs to be justified by the
7 facts and circumstances, or whether it needs to be an actual
8 and necessary expense of the debtors' estate, whatever
9 criteria is applicable, I think the evidentiary record in
10 this case is met, and the debtors have satisfied that. The
11 testimony of Mr. Cogswell and Mr. Victor clearly establish
12 the motivational aspects of the program. The program is tied
13 and it's important to get to the certain benchmarks. The
14 testimony is clearly - it establishes that all the covered
15 employees are performing above and beyond their normal job
16 responsibilities, some extraordinarily so. I don't think
17 that's particularly surprising. Chapter 11 is an expensive
18 process for the professionals because we know how much work
19 they have to do, and it's an expensive and time consuming
20 process for management. That is the nature of Chapter 11,
21 and that's, you know, I take issue with Mr. Carroll's sort of
22 blanket statement that every Chapter 11 doesn't deserve some
23 sort of incentive management program. Certainly not every
24 case can afford it, and some cases maybe call out for it more
25 than others. A business like this where we're talking about

1 a very volatile, competitive, people-intensive business is
2 really a poster child for a management incentive program,
3 especially in a sales process where people are working
4 themselves out of a job. All right, so let's deal with the
5 retentive effect. I don't think that - I kind of rethought
6 this issue, frankly, even if the only thing management has to
7 do and the covered employees have to do is hold this company
8 together for the stalking horse bidder to close, I don't find
9 that in and of itself primarily retentive. I have another
10 case where management and the professionals worked their
11 tails off for three months to hold the case together to get
12 the stalking horse bid in place, and it all fell apart, and
13 that case is going to convert on Friday. It's a big case. A
14 lot of people are going to lose their jobs. That can happen.
15 Stalking horse cases, stalking horse bidders walk away.
16 There are material adverse changes that occur. This is not a
17 healthy economy, and the pressures are intense. I expect
18 that the price of raw materials is rising for the debtors,
19 without knowing, I'm speculating, so I won't rely on that in
20 making my ruling, but I don't find that just getting to a
21 plan or just getting to a closing by a stalking horse bidder
22 in and of itself is retentive. I think there's a lot that
23 can go wrong. So I don't find the fact that some of the
24 elements deal with simply getting the closing of a stalking
25 horse bid or simply getting a plan confirmed to be in and of